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Afternoon Session, December 30.

## THE GROWTH AND ECONOMIC VALUE OF BUILDING AND LOAN ASSOCIATIONS.

BY HON. SEYMOUR DEXTER.

In stating the total number of true building and loan associations in this country only an approximate accuracy can be reached except in a few States, but from a comparison of data from all sources we believe the following figures to be a conservative statement:

Pennsylvania leads the list (as reported by the Bureau of Industrial Statistics, May 1st, 1890), with.....	1,200
Ohio ranks next (as reported in November last by the <i>Co-operative News</i> of Cincinnati) with.....	800
Illinois is credited from various sources of information with .....	500
Indiana with.....	400
New York State at a low estimate .....	475
New Jersey reported through its Bureau of Labor Statistics at the close of 1888, 210 associations, and has beyond doubt at this time.....	220
Delaware and Maryland together.....	225
Massachusetts.....	100
The remaining New England States.....	75
Wisconsin.....	55
Michigan.....	65
Minnesota.....	150
Nebraska and Iowa together.....	200
Kansas.....	125
Kentucky.....	200
Missouri.....	200
Tennessee.....	75
Southwestern States.....	250
Other Southern States.....	100
California, November, 1890.....	105
Other Western States.....	200
Total.....	5,820

We believe an actual enumeration of all the associations to be at least 6,000.

Their growth has been so rapid for a few years that experience has proven the former estimates always to have been below the actual number. If we take 6,000 as a total number at the present time and the averages from those States where we have official data with reference to the same, we find that these 6,000 associations hold an accumulated capital of \$455,454,000; that each association has an average membership of 235, making the total membership in the United States, 1,410,000; that the average amount of money received by each association during the year is 30,000, making the total receipts in one year \$180,000,000. These figures are conservative, but the amounts are surprising to one who has given no attention to these associations.

The great merits claimed for these associations are first, that as an "institution for savings" no scheme has yet been devised and tested by experience which insures safety of funds, good rates of interest, cheapness in management and successful operation in small communities as well as in large, in so high degree. Four facts in the scheme upon which they are conducted conspire to insure safety of the savings paid to them, namely: the kind of security taken; the location of the real estate upon which the loans are made; the manner in which loans are repaid, and lastly, that no large sum of money is ever in the hands of the officers of the association which they can steal if so inclined.

The moneys are invested only upon first mortgage on real estate in the same locality or vicinity where the association is located, or upon the stock of the association, the withdrawal value of which is greater than the sum borrowed. The borrower commences

at once to make regular payments upon his loan. The security is constantly growing better by the payments made upon it. It is seldom that all the funds cannot be loaned in this manner at legal rates, and usually there is a competition among the borrowers and in that competition a premium is paid to obtain the loan by the successful borrower, which increases the profit of the association. The expense of conducting them is small; the average expense of each association in Pennsylvania is stated to be only \$380.02, only a trifle over 1 per cent. of the money handled.

The second great merit claimed by these associations is that they excel the savings bank as a means of stimulating savings and home owning. The depositor in the savings bank may withhold or deposit at his pleasure; while in these associations he has entered into an agreement to deposit a certain amount weekly or monthly, and if he fails to do the same he has agreed to incur and pay a fine. If he fails some at least of his fellow-shareholders will know of the fact and his pride is stirred, and he will be more certain to save the specified amount and pay it than he would if he was depositing in a savings bank. He has a feeling of ownership in the association and a voice in electing its officers; he talks with his friends about what he is doing and urges them to take shares in the association, and thereby increases his enthusiasm in the good work which he has commenced. If he is a man with a family and without a home he has learned a practical way to secure one and his desire for a home is stimulated; it inspires hope not alone in him but in all his household; they have discovered a way whereby the rent

they usually pay may be applied towards paying for a home in which they live. The unmarried clerk or artisan has learned a practical way of accumulating a sum to go into business for himself. The influences radiating from these associations in the community are elevating, and the results which they produce are in a high degree stable in their character. The most that society can do for an individual is to give him an opportunity and show him how he can help himself.

Place in the cities and business centers throughout the States many of these associations based upon the idea of self-help, saving, thrift and home-building and home-owning and you have brought to pass a powerful influence for good. The man who is striving to earn, save and pay for the home, when he has accomplished it, will be a better man, a better artisan or clerk, a better husband and a better citizen. In the keeping of such the public will be safe.

#### THE TAILORING TRADE AND THE SWEATING SYSTEM.

BY PROF. KATHARINE COMAN OF WELLESLEY COLLEGE.

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Consideration of the conditions of the tailoring trade in London leads to the conclusion that the sweating system is not a peculiar form of industrial organization. Neither the wholesale firm, nor the middle man, nor the contractor should be held responsible for the miserable condition of work and wage that prevail in the "slop-shop." In its ultimate analysis the sweating system is simply the competitive struggle for existence on the lowest levels